

## 2009 Montana Partnership Information and Composite Tax Return

Attach a copy of federal Form 1065 and Schedule(s) K-1

For calendar year 2009 or tax year beginning (MM-DD) \_\_\_\_ - \_\_\_\_ - **09** and ending (MM-DD-YY) \_\_\_\_ - \_\_\_\_ - \_\_\_\_

Name Hepburn-Wilson Scarlet Oaks, LLC			FEIN: _____
Mailing Address PO Box 177			Federal Business Code: <u>531110</u>
City Missoula	State MT	Zip + 4 59059-0177	Date Registered in Montana: <u>08/10/2004</u>
<input type="checkbox"/> I do <b>not</b> need the Montana Partnership Information Return and Instructions sent to me next year. <input type="checkbox"/> I am <b>requesting a refund</b> with this tax return.			

☐ Check if this is an initial return

☐ Check if this is a final return

Reason for final return:

☐ a. Withdrawn

☐ b. Dissolved

☐ c. Merged

☐ d. Reorganized

☐ Check if this is an amended return

If you check the box above, check below all the reasons for amending your return:

☐ a. Federal Revenue Agent Report (a complete copy of this report is required)

☐ b. Apportionment factor changes (attach a statement explaining adjustments)

☐ c. Amended federal return

☐ d. Amended composite return

☐ e. Other (attach a statement explaining all adjustments in detail)

### Partners' Distributive Share Items (Form 1065, Schedule K)

1. Ordinary business income (loss) .....	1.	
2. Net rental real estate income (loss) (attach federal Form 8825) .....	2.	10,320
3. a. Other gross rental income (loss) .....	3a.	
b. Expenses from other rental activities (attach schedule) .....	3b.	
c. Subtract line 3b from line 3a. <b>This is your other net rental income or loss.</b> .....	3c.	
4. Guaranteed payments .....	4.	
5. Interest income .....	5.	
6. Ordinary dividends .....	6.	
7. Royalties .....	7.	
8. Net short-term capital gain (loss) (attach federal Schedule D, Form 1065) .....	8.	
9. Net long-term capital gain (loss) (attach federal Schedule D, Form 1065) .....	9.	
10. Net section 1231 gain (loss) (attach federal Form 4797) .....	10.	
11. Other income (loss) (attach detailed schedule) .....	11.	
12. Add lines 1 through 11 and enter result. <b>This is your total share of income or loss.</b> .....	12.	10,320

### Partners' Shares of Deduction (Form 1065, Schedule K)

13. Section 179 deduction (attach federal Form 4562) .....	13.	
14. a. Contributions .....	14a.	
b. Investment interest expense .....	14b.	
c. Section 59(e)(2) expenditures. (attach detailed schedule) .....	14c.	
d. Other deductions (attach detailed schedule) .....	14d.	
15. Add lines 13 through 14d and enter result. <b>This is your total share of deductions.</b> .....	15.	

### Partners' Distributive Shares of Montana Additions and Deductions to Income

16. a. Interest and dividends not taxable under the Internal Revenue Code (see instructions) .....	16a.	
b. Taxes based on income or profits .....	16b.	
c. Other additions (attach detailed breakdown) .....	16c.	
Add lines 16a, 16b, and 16c; enter result. <b>This is your total Montana additions to income.</b> .....	16.	
17. a. Interest on U.S. government obligations (attach schedule) .....	17a.	
b. Deduction for purchasing recycled material (attach Form RCYL) .....	17b.	
c. Other deductions (attach detailed breakdown) .....	17c.	
Add lines 17a, 17b, and 17c; enter result. <b>This is your total Montana deductions to income.</b> .....	17.	
18. Subtract line 15 from line 12. Add the result to line 16, then subtract line 17 from that result. <b>This is your net taxable income (loss).</b> .....	18.	10,320

### Partners' Distributive Shares of Multistate Apportionment and Allocation

19. Income apportioned to Montana. Multiply line 18 X _____ % from Schedule I, line 5; enter the result ....	19.	
20. Income allocated to Montana. Enter the income or loss allocated directly to Montana (see instructions) .....	20.	
21. Add lines 19 and 20; enter result. <b>This is the total Montana source income for multistate taxpayers.</b> .....	21.	

Entity name Bridger Industrial Park Tax period ending 12-31-2008 FEIN \_\_\_\_\_**Calculation of Amount Owed or Refund****Partnership Composite Return Tax**22. Enter your Montana total composite tax from Schedule III, column F .....22. **Partner Backup Withholding**23. Enter the amount of total partner withholding from Schedule III, column G .....23. 711**Partnership Montana Mineral Royalty Tax Withheld**

24. a. Total Montana mineral royalty tax withheld as reported on federal Form(s) 1099... 24a.

b. Mineral royalty tax withheld attributable to Montana residents..... 24b.

c. Mineral royalty tax withheld attributable to nonresidents not reporting on Schedule IV ..... 24c.

d. Add lines 24b and 24c. This is the total mineral royalty tax withheld reported by partners on their income tax returns..... 24d.

e. Subtract line 24d from 24a. This is the mineral royalty tax withheld attributable to nonresidents reporting on Schedule IV ..... 24e.

**Return Payments**

25. a. 2008 overpayment applied to 2009 ..... 25a.

b. 2009 estimated payments..... 25b.

c. 2009 extension payment..... 25c.

d. Montana income tax withheld. Attach Form PT-WH ..... 25d.

e. For amended returns only—payments made with original return (see instructions) 25e.

f. For amended returns only—previously issued refunds (see instructions) ..... 25f.

g. Add lines 25a through 25e; then subtract line 25f and enter the result here. **This is your total return payments.** .....25g.

26. Add lines 22 and 23, then subtract lines 24e and 25g. **This is your amount due or (overpaid).**.....26. 711

**Penalties and Interest (see instructions)**

27. a. Partnership information return late filing penalty ..... 27a.

b. Interest on underpayment of estimated composite tax..... 27b.

c. Composite income tax return late filing penalty ..... 27c.

d. Late payment penalty ..... 27d.

e. Interest..... 27e.

f. Add lines 27a through 27e. **This is your total penalties and interest.**.....27f.

**Amount Owed or Refund**

28. Add lines 26 and 27f; enter the result here.....28. 711


29. If line 28 results in an amount due, enter it here. **This is the amount you owe.** .....29. 711

30. If line 28 results in an overpayment, enter it here. **This is your overpayment.** .....30.

31. Enter the amount from line 30 you want applied to your 2010 composite estimated tax .. 31.

32. Subtract line 31 from line 30 and enter the amount here. **This is your refund.** .....32.

For Direct Deposit of your refund, complete 1, 2, 3, and 4. Please see instructions on page 8.	1. RTN# <span style="border: 1px solid black; display: inline-block; width: 80px; height: 1.2em; vertical-align: middle;"></span>	2. ACCT# <span style="border: 1px solid black; display: inline-block; width: 150px; height: 1.2em; vertical-align: middle;"></span>	
	3. If using direct deposit, you are required to mark one box. <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	4. Is this refund going to an account that is located outside of the United States or its territories? <input type="checkbox"/> Yes <input type="checkbox"/> No		

	Name, address and telephone number of paid preparer	<input type="checkbox"/> Check this box and attach a copy of your federal Form 7004 to receive your Montana extension.
	SSN, FEIN or PTIN:	

May the DOR discuss this tax return with your tax preparer? ☒ Yes ☐ No

This tax return has to be signed by a general partner or limited liability company member.

**Declaration**

I, the undersigned general partner or limited liability company member of the partnership for which this tax return is made, hereby declare that this tax return, including all accompanying schedules and statements, is to the best of my knowledge and belief a true, correct and complete return, made in good faith for the income period stated, pursuant to the Montana statutes and regulations.

Signature of general partner or LLC member manager <b>X</b>	Date	Printed name and title	Telephone number
--	------	------------------------	------------------

**Questions?** Call us toll free at (866) 859-2254 (in Helena, 444-6900), or TDD (406) 444-2830 for hearing impaired.

Schedule III - Form PR-1, page 5

Entity name Hepburn-Wilson Scarlet Oak Tax ID ending 12-31-2009 FEIN 12-31-2009

Montana Partnership Information

Summary Schedule of Income and Supplemental Information

Section A: Resident Partners

A		B	C	D
Street Address or P O Box City   State   Zip Code	Name	Identification Number SSN/FEIN	Ownership %	Montana Source Income (see instructions)
1.		SSN		
		FEIN		
2.		SSN		
		FEIN		
3.		SSN		
		FEIN		
4.		SSN		
		FEIN		
Section A Totals				

Partner Withholding: ☒ yes ☐ no  
Composite Income Tax: ☐ yes ☒ no

Number of Resident Partners	
Number of Nonresident Partners	2
Total Number of Partners	2

Section B: Nonresident Individual Partners or Second Tier Pass-Through Entity Partners

A		B	C	D	E	F	G	H
Street Address or P O Box City   State   Zip Code	Name	Identification Number SSN/FEIN	Ownership %	Montana Source Income (see instructions)	Federal Income from Entity (from federal Schedule K-1)	Composite Income Tax (from Schedule IV, column J)	Partner Withholding (see instructions)	Consent Agreement (year)
1. Karolee Hepburn		SSN	16.50	1,700	1,700		117	
2027 North Sanders		FEIN						
Eagle Rivers, WI 54521								
2. Marla Wilson		SSN	83.50	8,602	8,602		594	
2029 North Sanders		FEIN						
Eagle River, WI 54521								
3.		SSN	100.00				711	
		FEIN						
Section B Totals								
Total of Sections A and B, column C only								

For each nonresident partner, complete ONLY  
one of these three columns: F, G or H. Please  
refer to the instructions for Schedule III

Transfer the total from Column F to Form PR-1, page 2, line 22.

Transfer the total from Column G to Form PR-1, page 2, line 23.

Use additional sheets if necessary or you may use a document formatted similarly to Schedule III as a substitute.

# Montana Schedule K-1

(CLT-4S and PR-1)

Partner's/Shareholder's Share of Income (Loss), Deductions, Credits, etc.

For the year January 1 - December 31, 2009, or tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_.

## Part 1 - Pass-Through Entity Information

<b>A</b> Entity's federal employer identification number (FEIN) _____	<b>Check applicable boxes:</b> <input type="checkbox"/> Form CLT-4S <input type="checkbox"/> Amended K-1 <input checked="" type="checkbox"/> Form PR-1 <input type="checkbox"/> Final K-1
<b>B</b> Entity's name and mailing address Hepburn-Wilson Scarlet Oaks, LLC PO Box 177 Missoula, MT 59059-0177	
<b>C</b> <input type="checkbox"/> Check this box if this is a publicly traded partnership.	

## Part 2 - Partner/Shareholder Information

<b>A</b> Partner's/shareholder's identifying number (SSN/FEIN) _____	<b>D</b> Check this box if partner/shareholder is a nonresident: <input checked="" type="checkbox"/> If a nonresident, please check this box if a Montana Form PT-AGR, nonresident agreement has been filed for partner/shareholder <input type="checkbox"/>											
<b>B</b> Partner's/shareholder's name and mailing address Karolee Hepburn 2027 North Sanders Eagle River, WI 54521	<b>E</b> Shareholder's percentage of stock ownership _____ %											
	<table border="1"><tr><td><b>F</b> Partner's:</td><td>Beginning</td><td>Ending</td></tr><tr><td>Profit</td><td>22.0000000 %</td><td>16.5000000 %</td></tr><tr><td>Loss</td><td>22.0000000 %</td><td>16.5000000 %</td></tr><tr><td>Capital</td><td>22.0000000 %</td><td>16.5000000 %</td></tr></table>	<b>F</b> Partner's:	Beginning	Ending	Profit	22.0000000 %	16.5000000 %	Loss	22.0000000 %	16.5000000 %	Capital	22.0000000 %
<b>F</b> Partner's:	Beginning	Ending										
Profit	22.0000000 %	16.5000000 %										
Loss	22.0000000 %	16.5000000 %										
Capital	22.0000000 %	16.5000000 %										
<b>C</b> What type of entity is this partner/shareholder? <u>Individual</u>												

## Part 3 - All Partners/Shareholders-Montana Adjustments

<b>A</b> Federal Schedule K-1 income (loss) minus deductions .....	A.	1,700	Information only; see instructions.
<b>B</b> Montana additions to income			
1. Federally tax-exempt interest .....	B1.		
2. Taxes based on income or profits .....	B2.		
3. Other additions. List type _____ and amount .....	B3.		
<b>C</b> Montana subtractions from income			
1. Interest from U.S. Treasury obligations .....	C1.		
2. Deduction for purchasing recycled material .....	C2.		
3. Other subtractions. List type _____ and amount .....	C3.		
<b>D</b> Multistate pass-through entities			
1. <b>Apportioned income.</b> Income apportioned to Montana .....	D1.		Information only; see instructions
2. <b>Allocable income.</b> Income allocated to Montana. List type _____ and amount .....	D2.		Information only; see instructions
<b>E</b> Total income taxable to partner/shareholder .....	E.		Information only; see instructions

## Part 4 - Nonresident Individual, Estate or Trust Beneficiary Only-Montana Source Income (Loss)

1. Montana apportionment percentage .....	1.	16.5 %	Information only; see instructions
2. Ordinary business income (loss) .....	2.		
3. Net rental real estate income (loss) .....	3.	1,700	
4. Other net rental income (loss) .....	4.		
5. Guaranteed payments .....	5.		
6. Interest income .....	6.		
7. Ordinary dividends .....	7.		
8. Royalties .....	8.		
9. Net short-term capital gain (loss) .....	9.		
10. Net long-term capital gain (loss) .....	10.		
11. Net section 1231 gain (loss) .....	11.		
12. Other income (loss). List type _____ and amount .....	12.		
13. Montana composite income tax paid on behalf of partner/shareholder .....	13.		
14. Montana income tax withheld on behalf of partner/shareholder .....	14.	117	

## Part 5 - Supplemental Information

1. Premiums for Insure Montana Small Business Health Insurance credit expenses .....	1.	
2. Film Production Credit expenses .....	2.	
3. Mineral royalties tax withholding .....	3.	
4. Other information. List type _____ and amount .....	4.	

## Part 6 - Montana Tax Credits and Recapture (If Applicable)

1. Insure Montana Small Business Health Insurance credit. Business FEIN .....	1.	
2. Health insurance for uninsured Montanans credit (Form HI) .....	2.	
3. Contractor's gross receipts tax credit .....	3.	
4. Other credit/recapture information. List type _____ and amount ...	4.	

# Montana Schedule K-1

(CLT-4S and PR-1)

Partner's/Shareholder's Share of Income (Loss), Deductions, Credits, etc.

For the year January 1 - December 31, 2009, or tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_.

## Part 1 - Pass-Through Entity Information

<b>A</b> Entity's federal employer identification number (FEIN) _____	<b>Check applicable boxes:</b> <input type="checkbox"/> Form CLT-4S <input type="checkbox"/> Amended K-1 <input checked="" type="checkbox"/> Form PR-1 <input type="checkbox"/> Final K-1
<b>B</b> Entity's name and mailing address Hepburn-Wilson Scarlet Oaks, LLC PO Box 177 Missoula, MT 59059-0177	
<b>C</b> <input type="checkbox"/> Check this box if this is a publicly traded partnership.	

## Part 2 - Partner/Shareholder Information

<b>A</b> Partner's/shareholder's identifying number (SSN/FEIN) _____	<b>D</b> Check this box if partner/shareholder is a nonresident: <input checked="" type="checkbox"/> If a nonresident, please check this box if a Montana Form PT-AGR, nonresident agreement has been filed for partner/shareholder <input type="checkbox"/>													
<b>B</b> Partner's/shareholder's name and mailing address Marla Wilson 2029 North Sanders Eagle River, WI 54521	<b>E</b> Shareholder's percentage of stock ownership _____ %													
	<b>F</b> Partner's:	<table border="1"><thead><tr><th></th><th>Beginning</th><th>Ending</th></tr></thead><tbody><tr><td>Profit</td><td>78.0000000 %</td><td>83.5000000 %</td></tr><tr><td>Loss</td><td>78.0000000 %</td><td>83.5000000 %</td></tr><tr><td>Capital</td><td>78.0000000 %</td><td>83.5000000 %</td></tr></tbody></table>		Beginning	Ending	Profit	78.0000000 %	83.5000000 %	Loss	78.0000000 %	83.5000000 %	Capital	78.0000000 %	83.5000000 %
		Beginning	Ending											
Profit	78.0000000 %	83.5000000 %												
Loss	78.0000000 %	83.5000000 %												
Capital	78.0000000 %	83.5000000 %												
<b>C</b> What type of entity is this partner/shareholder? <u>Individual</u>														

## Part 3 - All Partners/Shareholders-Montana Adjustments

<b>A</b> Federal Schedule K-1 income (loss) minus deductions .....	A.	8,602	Information only; see instructions.
<b>B</b> Montana additions to income			
1. Federally tax-exempt interest .....	B1.		
2. Taxes based on income or profits .....	B2.		
3. Other additions. List type _____ and amount .....	B3.		
<b>C</b> Montana subtractions from income			
1. Interest from U.S. Treasury obligations .....	C1.		
2. Deduction for purchasing recycled material .....	C2.		
3. Other subtractions. List type _____ and amount .....	C3.		
<b>D</b> Multistate pass-through entities			
1. <b>Apportioned income.</b> Income apportioned to Montana .....	D1.		Information only; see instructions
2. <b>Allocable income.</b> Income allocated to Montana. List type _____ and amount .....	D2.		Information only; see instructions
<b>E</b> Total income taxable to partner/shareholder .....	E.		Information only; see instructions

## Part 4 - Nonresident Individual, Estate or Trust Beneficiary Only-Montana Source Income (Loss)

1. Montana apportionment percentage .....	1.	83.50 %	Information only; see instructions
2. Ordinary business income (loss) .....	2.		
3. Net rental real estate income (loss) .....	3.		
4. Other net rental income (loss) .....	4.	8,602	
5. Guaranteed payments .....	5.		
6. Interest income .....	6.		
7. Ordinary dividends .....	7.		
8. Royalties .....	8.		
9. Net short-term capital gain (loss) .....	9.		
10. Net long-term capital gain (loss) .....	10.		
11. Net section 1231 gain (loss) .....	11.		
12. Other income (loss). List type _____ and amount .....	12.		
13. Montana composite income tax paid on behalf of partner/shareholder .....	13.		
14. Montana income tax withheld on behalf of partner/shareholder .....	14.	594	

## Part 5 - Supplemental Information

1. Premiums for Insure Montana Small Business Health Insurance credit expenses .....	1.	
2. Film Production Credit expenses .....	2.	
3. Mineral royalties tax withholding .....	3.	
4. Other information. List type _____ and amount .....	4.	

## Part 6 - Montana Tax Credits and Recapture (If Applicable)

1. Insure Montana Small Business Health Insurance credit. Business FEIN .....	1.	
2. Health insurance for uninsured Montanans credit (Form HI) .....	2.	
3. Contractor's gross receipts tax credit .....	3.	
4. Other credit/recapture information. List type _____ and amount .....	4.	

Form <b>1065</b> Department of the Treasury Internal Revenue Service	<b>U.S. Return of Partnership Income</b> For calendar year 2009, or tax year beginning _____, 2009, ending _____, 20_____. ▶ See separate instructions.	OMB No. 1545-0099 <div style="font-size: 2em; font-weight: bold;">2009</div>
<b>A</b> Principal business activity <b>Rental</b>  <b>B</b> Principal product or service <b>Rental Estate</b>  <b>C</b> Business code number <b>531110</b>	<div style="display: flex;"> <div style="width: 10%; font-weight: bold; text-align: center;">Use the IRS label. Otherwise, print or type.</div> <div>           Name of partnership  <b>Hepburn-Wilson Scarlet Oaks, LLC</b>             Number, street, and room or suite no. If a P.O. box, see the instructions.  <b>PO Box 177</b>             City or town, state, and ZIP code  <b>Missoula, MT 59059-0177</b> </div> </div>	<b>D</b> Employer identification number  <b>E</b> Date business started <b>01/01/2004</b>  <b>F</b> Total assets (see the instructions) <div style="text-align: right;">\$ <b>80,402</b></div>

- G** Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return (6) ☐ Technical termination - also check (1) or (2)
- H** Check accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶ \_\_\_\_\_
- I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ \_\_\_\_\_
- J** Check if Schedules C and M-3 are attached ☐

**Caution.** Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

<b>Income</b>	<b>1a</b>	Gross receipts or sales	<b>1a</b>		
	<b>b</b>	Less returns and allowances	<b>1b</b>		<b>1c</b>
	<b>2</b>	Cost of goods sold (Schedule A, line 8)			<b>2</b>
	<b>3</b>	Gross profit. Subtract line 2 from line 1c			<b>3</b>
	<b>4</b>	Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			<b>4</b>
	<b>5</b>	Net farm profit (loss) (attach Schedule F (Form 1040))			<b>5</b>
	<b>6</b>	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			<b>6</b>
	<b>7</b>	Other income (loss) (attach statement)			<b>7</b>
	<b>8</b>	<b>Total income (loss).</b> Combine lines 3 through 7			<b>8</b>
<b>Deductions</b> <small>(see the instructions for limitations)</small>	<b>9</b>	Salaries and wages (other than to partners) (less employment credits)			<b>9</b>
	<b>10</b>	Guaranteed payments to partners			<b>10</b>
	<b>11</b>	Repairs and maintenance			<b>11</b>
	<b>12</b>	Bad debts			<b>12</b>
	<b>13</b>	Rent			<b>13</b>
	<b>14</b>	Taxes and licenses			<b>14</b>
	<b>15</b>	Interest			<b>15</b>
	<b>16a</b>	Depreciation (if required, attach Form 4562)	<b>16a</b>		
	<b>b</b>	Less depreciation reported on Schedule A and elsewhere on return	<b>16b</b>		<b>16c</b>
	<b>17</b>	Depletion (Do not deduct oil and gas depletion.)			<b>17</b>
	<b>18</b>	Retirement plans, etc.			<b>18</b>
	<b>19</b>	Employee benefit programs			<b>19</b>
	<b>20</b>	Other deductions (attach statement)			<b>20</b>
	<b>21</b>	<b>Total deductions.</b> Add the amounts shown in the far right column for lines 9 through 20.			<b>21</b>
<b>22</b>	<b>Ordinary business income (loss).</b> Subtract line 21 from line 8			<b>22</b>	

<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.			
	Signature of general partner or limited liability company member manager	Date	May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>	
<b>Paid Preparer's Use Only</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code		EIN ▶ _____ Phone no. _____	

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11390Z

Form **1065** (2009)



	Yes	No
<b>5</b> Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details . . . . .		✓
<b>6</b> Does the partnership satisfy <b>all four</b> of the following conditions?		
<b>a</b> The partnership's total receipts for the tax year were less than \$250,000.		
<b>b</b> The partnership's total assets at the end of the tax year were less than \$1 million.		
<b>c</b> Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
<b>d</b> The partnership is not filing and is not required to file Schedule M-3 . . . . . If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.	✓	
<b>7</b> Is this partnership a publicly traded partnership as defined in section 469(k)(2)? . . . . .		✓
<b>8</b> During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? . . . . .		✓
<b>9</b> Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction? . . . . .		✓
<b>10</b> At any time during calendar year 2009, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country. ▶		✓
<b>11</b> At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions . . . . .		✓
<b>12a</b> Is the partnership making, or had it previously made (and not revoked), a section 754 election? . . . . . See instructions for details regarding a section 754 election.		✓
<b>b</b> Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions . . . . .		✓
<b>c</b> Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.		✓
<b>13</b> Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than entities wholly-owned by the partnership throughout the tax year) . . . . . ▶ <input type="checkbox"/>		
<b>14</b> At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property? . . . . .		✓
<b>15</b> If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ▶		
<b>16</b> Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		✓
<b>17</b> Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶		

**Designation of Tax Matters Partner** (see instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶	Identifying number of TMP ▶
If the TMP is an entity, name of TMP representative ▶	Phone number of TMP ▶
Address of designated TMP ▶	



<b>Schedule K</b>		<b>Partners' Distributive Share Items</b>		<b>Total amount</b>	
<b>Income (Loss)</b>	<b>1</b>	Ordinary business income (loss) (page 1, line 22)	<b>1</b>		
	<b>2</b>	Net rental real estate income (loss) (attach Form 8825)	<b>2</b>	10,302	
	<b>3a</b>	Other gross rental income (loss)	<b>3a</b>		
	<b>b</b>	Expenses from other rental activities (attach statement)	<b>3b</b>		
	<b>c</b>	Other net rental income (loss). Subtract line 3b from line 3a	<b>3c</b>		
	<b>4</b>	Guaranteed payments	<b>4</b>		
	<b>5</b>	Interest income	<b>5</b>		
	<b>6</b>	Dividends: <b>a</b> Ordinary dividends	<b>6a</b>		
		<b>b</b> Qualified dividends	<b>6b</b>		
	<b>7</b>	Royalties	<b>7</b>		
	<b>8</b>	Net short-term capital gain (loss) (attach Schedule D (Form 1065))	<b>8</b>		
<b>Deductions</b>	<b>9a</b>	Net long-term capital gain (loss) (attach Schedule D (Form 1065))	<b>9a</b>		
	<b>b</b>	Collectibles (28%) gain (loss)	<b>9b</b>		
	<b>c</b>	Unrecaptured section 1250 gain (attach statement)	<b>9c</b>		
	<b>10</b>	Net section 1231 gain (loss) (attach Form 4797)	<b>10</b>		
	<b>11</b>	Other income (loss) (see instructions) Type ▶	<b>11</b>		
	<b>12</b>	Section 179 deduction (attach Form 4562)	<b>12</b>		
	<b>13a</b>	Contributions	<b>13a</b>		
	<b>b</b>	Investment interest expense	<b>13b</b>		
	<b>c</b>	Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	<b>13c(2)</b>		
	<b>d</b>	Other deductions (see instructions) Type ▶	<b>13d</b>		
	<b>Self-Employment</b>	<b>14a</b>	Net earnings (loss) from self-employment	<b>14a</b>	
<b>b</b>		Gross farming or fishing income	<b>14b</b>		
<b>c</b>		Gross nonfarm income	<b>14c</b>		
<b>Credits</b>	<b>15a</b>	Low-income housing credit (section 42(j)(5))	<b>15a</b>		
	<b>b</b>	Low-income housing credit (other)	<b>15b</b>		
	<b>c</b>	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	<b>15c</b>		
	<b>d</b>	Other rental real estate credits (see instructions) Type ▶	<b>15d</b>		
	<b>e</b>	Other rental credits (see instructions) Type ▶	<b>15e</b>		
	<b>f</b>	Other credits (see instructions) Type ▶	<b>15f</b>		
<b>Foreign Transactions</b>	<b>16a</b>	Name of country or U.S. possession ▶			
	<b>b</b>	Gross income from all sources	<b>16b</b>		
	<b>c</b>	Gross income sourced at partner level	<b>16c</b>		
	<b>d</b>	Foreign gross income sourced at partnership level			
	<b>e</b>	Passive category ▶ General category ▶ f Other ▶	<b>16f</b>		
	<b>g</b>	Deductions allocated and apportioned at partner level			
	<b>h</b>	Interest expense ▶ h Other ▶	<b>16h</b>		
	<b>i</b>	Deductions allocated and apportioned at partnership level to foreign source income			
	<b>j</b>	Passive category ▶ j General category ▶ k Other ▶	<b>16k</b>		
	<b>l</b>	Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	<b>16l</b>		
<b>Alternative Minimum Tax (AMT) Items</b>	<b>m</b>	Reduction in taxes available for credit (attach statement)	<b>16m</b>		
	<b>n</b>	Other foreign tax information (attach statement)			
	<b>17a</b>	Post-1986 depreciation adjustment	<b>17a</b>	90	
	<b>b</b>	Adjusted gain or loss	<b>17b</b>		
	<b>c</b>	Depletion (other than oil and gas)	<b>17c</b>		
	<b>d</b>	Oil, gas, and geothermal properties—gross income	<b>17d</b>		
<b>Other Information</b>	<b>e</b>	Oil, gas, and geothermal properties—deductions	<b>17e</b>		
	<b>f</b>	Other AMT items (attach statement)	<b>17f</b>		
	<b>18a</b>	Tax-exempt interest income	<b>18a</b>		
	<b>b</b>	Other tax-exempt income	<b>18b</b>		
	<b>c</b>	Nondeductible expenses	<b>18c</b>	11,619	
	<b>19a</b>	Distributions of cash and marketable securities	<b>19a</b>	4,495	
<b>Other Information</b>	<b>b</b>	Distributions of other property	<b>19b</b>		
	<b>20a</b>	Investment income	<b>20a</b>		
	<b>b</b>	Investment expenses	<b>20b</b>		
<b>c</b>	Other items and amounts (attach statement)				

**Analysis of Net Income (Loss)**

<b>1</b>	Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l						<b>1</b>	
<b>2</b>	Analysis by partner type:							
	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other		
<b>a</b>	General partners							
<b>b</b>	Limited partners							

<b>Schedule L Balance Sheets per Books</b>		Beginning of tax year		End of tax year	
<b>Assets</b>		(a)	(b)	(c)	(d)
<b>1</b>	Cash		2,857		4,623
<b>2a</b>	Trade notes and accounts receivable				
<b>b</b>	Less allowance for bad debts				
<b>3</b>	Inventories				
<b>4</b>	U.S. government obligations				
<b>5</b>	Tax-exempt securities				
<b>6</b>	Other current assets (attach statement)				
<b>7</b>	Mortgage and real estate loans				
<b>8</b>	Other investments (attach statement)				
<b>9a</b>	Buildings and other depreciable assets	70,897		70,897	
<b>b</b>	Less accumulated depreciation	7,221	63,676	10,304	60,593
<b>10a</b>	Depletable assets				
<b>b</b>	Less accumulated depletion				
<b>11</b>	Land (net of any amortization)		15,186		15,186
<b>12a</b>	Intangible assets (amortizable only)				
<b>b</b>	Less accumulated amortization				
<b>13</b>	Other assets (attach statement)				
<b>14</b>	Total assets		81,719		80,402
<b>Liabilities and Capital</b>					
<b>15</b>	Accounts payable				
<b>16</b>	Mortgages, notes, bonds payable in less than 1 year				
<b>17</b>	Other current liabilities (attach statement)				
<b>18</b>	All nonrecourse loans				
<b>19</b>	Mortgages, notes, bonds payable in 1 year or more				
<b>20</b>	Other liabilities (attach statement)				
<b>21</b>	Partners' capital accounts		81,179		80,402
<b>22</b>	Total liabilities and capital		81,719		80,402

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

<b>1</b>	Net income (loss) per books	10,302	<b>6</b>	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
<b>2</b>	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		<b>a</b>	Tax-exempt interest \$	
<b>3</b>	Guaranteed payments (other than health insurance)		<b>7</b>	Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):	
<b>4</b>	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		<b>a</b>	Depreciation \$	
<b>a</b>	Depreciation \$				
<b>b</b>	Travel and entertainment \$		<b>8</b>	Add lines 6 and 7	
<b>5</b>	Add lines 1 through 4	10,302	<b>9</b>	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	10,302

**Schedule M-2 Analysis of Partners' Capital Accounts**

<b>1</b>	Balance at beginning of year	81,719	<b>6</b>	Distributions: <b>a</b> Cash	11,619
<b>2</b>	Capital contributed: <b>a</b> Cash		<b>b</b> Property	4,495	
	<b>b</b> Property	4,495	<b>7</b>	Other decreases (itemize):	
<b>3</b>	Net income (loss) per books	10,302			
<b>4</b>	Other increases (itemize):		<b>8</b>	Add lines 6 and 7	16,114
<b>5</b>	Add lines 1 through 4	96,516	<b>9</b>	Balance at end of year. Subtract line 8 from line 5	80,402

# Rental Real Estate Income and Expenses of a Partnership or an S Corporation

▶ See instructions on back.

▶ Attach to Form 1065, Form 1065-B, or Form 1120S.

OMB No. 1545-1186

Name

Hepburn-Wilson Scarlet Oaks, LLC

Employer identification number

1 Show the kind and location of each property. See page 2 to list additional properties.

**A** Duplex

1040 Orange Street, Missoula, MT

**B**

**C**

**D**

Rental Real Estate Income		Properties							
		A		B		C		D	
2	Gross rents	2	20,258						
<b>Rental Real Estate Expenses</b>									
3	Advertising	3	60						
4	Auto and travel	4							
5	Cleaning and maintenance	5	75						
6	Commissions	6							
7	Insurance	7	503						
8	Legal and other professional fees	8							
9	Interest	9	6500						
10	Repairs	10	1200						
11	Taxes	11	1600						
12	Utilities	12							
13	Wages and salaries	13							
14	Depreciation (see instructions)	14							
15	Other (list) ▶	15							
16	Total expenses for each property. Add lines 3 through 15	16	9,938						
17	Total gross rents. Add gross rents from line 2, columns A through H	17	20,258						
18	Total expenses. Add total expenses from line 16, columns A through H	18	( 9,938 )						
19	Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities	19							
20a	Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1)	20a							
b	Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed:								
(1) Name	(2) Employer identification number								
21	Net rental real estate income (loss). Combine lines 17 through 20a. Enter the result here and on: • Form 1065 or 1120S: Schedule K, line 2, or • Form 1065-B: Part I, line 4	21	10,320						

☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

**Schedule K-1  
(Form 1065)****2009**Department of the Treasury  
Internal Revenue ServiceFor calendar year 2009, or tax  
year beginning \_\_\_\_\_, 2009  
ending \_\_\_\_\_, 20\_\_\_\_**Partner's Share of Income, Deductions,  
Credits, etc.**

▶ See back of form and separate instructions.

**Part I Information About the Partnership****A** Partnership's employer identification number**B** Partnership's name, address, city, state, and ZIP code**Hepburn-Wilson Scarlet Oaks, LLC**  
**PO Box 177**  
**Missoula, MT 59059-0177****C** IRS Center where partnership filed return  
**Ogden, UT****D** ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner****E** Partner's identifying number**F** Partner's name, address, city, state, and ZIP code**Karolee Hepburn**  
**2027 North Sanders**  
**Eagle River, WI 54521****G** ☐ General partner or LLC  
member-manager☐ Limited partner or other LLC  
member**H** ☒ Domestic partner☐ Foreign partner**I** What type of entity is this partner? **Individual****J** Partner's share of profit, loss, and capital (see instructions):**Beginning****Ending**

Profit	22.0000000 %	16.5000000 %
Loss	22.0000000 %	16.5000000 %
Capital	22.0000000 %	16.5000000 %

**K** Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	

**L** Partner's capital account analysis:

Beginning capital account	\$	19,978
Capital contributed during the year	\$	
Current year increase (decrease)	\$	1,700
Withdrawals & distributions	\$ (	4,614)
Ending capital account	\$	15,064

☐ Tax basis    ☐ GAAP    ☐ Section 704(b) book  
☐ Other (explain)
**M** Did the partner contribute property with a built-in gain or loss?☐ Yes    ☐ No

If "Yes", attach statement (see instructions)

**Part III Partner's Share of Current Year Income,  
Deductions, Credits, and Other Items**

<b>1</b> Ordinary business income (loss)	<b>15</b> Credits
<b>2</b> Net rental real estate income (loss)	
<b>1,700</b>	
<b>3</b> Other net rental income (loss)	<b>16</b> Foreign transactions
<b>4</b> Guaranteed payments	
<b>5</b> Interest income	
<b>6a</b> Ordinary dividends	
<b>6b</b> Qualified dividends	
<b>7</b> Royalties	
<b>8</b> Net short-term capital gain (loss)	
<b>9a</b> Net long-term capital gain (loss)	<b>17</b> Alternative minimum tax (AMT) items
<b>9b</b> Collectibles (28%) gain (loss)	
<b>9c</b> Unrecaptured section 1250 gain	
<b>10</b> Net section 1231 gain (loss)	<b>18</b> Tax-exempt income and nondeductible expenses
<b>11</b> Other income (loss)	
<b>12</b> Section 179 deduction	<b>19</b> Distributions
	<b>A</b> <b>119</b>
<b>13</b> Other deductions	<b>4,495</b>
	<b>20</b> Other information
<b>14</b> Self-employment earnings (loss)	

\*See attached statement for additional information.

For IRS Use Only

☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

**Schedule K-1  
(Form 1065)****2009**Department of the Treasury  
Internal Revenue ServiceFor calendar year 2009, or tax  
year beginning \_\_\_\_\_, 2009  
ending \_\_\_\_\_, 20\_\_\_\_**Partner's Share of Income, Deductions,  
Credits, etc.**

▶ See back of form and separate instructions.

**Part I Information About the Partnership****A** Partnership's employer identification number**B** Partnership's name, address, city, state, and ZIP code**Hepburn-Wilson Scarlet Oaks, LLC**  
**PO Box 177**  
**Missoula, MT 59059-0177****C** IRS Center where partnership filed return  
**Ogden, UT****D** ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner****E** Partner's identifying number**F** Partner's name, address, city, state, and ZIP code**Marla Wilson**  
**2027 North Sanders**  
**Eagle River, WI 54521****G** ☐ General partner or LLC  
member-manager☐ Limited partner or other LLC  
member**H** ☒ Domestic partner☐ Foreign partner**I** What type of entity is this partner? **Individual****J** Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	78.0000000 %	83.5000000 %
Loss	78.0000000 %	83.5000000 %
Capital	78.0000000 %	83.5000000 %

**K** Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	

**L** Partner's capital account analysis:

Beginning capital account	\$	63,741
Capital contributed during the year	\$	4,495
Current year increase (decrease)	\$	8,602
Withdrawals & distributions	\$ (	11,500)
Ending capital account	\$	65,338

☐ Tax basis    ☐ GAAP    ☐ Section 704(b) book  
☐ Other (explain)
**M** Did the partner contribute property with a built-in gain or loss?☐ Yes    ☐ No

If "Yes", attach statement (see instructions)

**Part III Partner's Share of Current Year Income,  
Deductions, Credits, and Other Items**

<b>1</b> Ordinary business income (loss)	<b>15</b> Credits
<b>2</b> Net rental real estate income (loss) 8,602	
<b>3</b> Other net rental income (loss)	<b>16</b> Foreign transactions
<b>4</b> Guaranteed payments	
<b>5</b> Interest income	
<b>6a</b> Ordinary dividends	
<b>6b</b> Qualified dividends	
<b>7</b> Royalties	
<b>8</b> Net short-term capital gain (loss)	
<b>9a</b> Net long-term capital gain (loss)	<b>17</b> Alternative minimum tax (AMT) items <b>A</b> 75
<b>9b</b> Collectibles (28%) gain (loss)	
<b>9c</b> Unrecaptured section 1250 gain	
<b>10</b> Net section 1231 gain (loss)	<b>18</b> Tax-exempt income and nondeductible expenses
<b>11</b> Other income (loss)	
<b>12</b> Section 179 deduction	<b>19</b> Distributions <b>A</b> 11,500
<b>13</b> Other deductions	<b>20</b> Other information
<b>14</b> Self-employment earnings (loss)	

\*See attached statement for additional information.

For IRS Use Only